

AWARD FEE DETERMINATION PLAN

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A. INTRODUCTION

This plan covers the administration of the award fee provisions of the contract.

The following matters are covered in the contract:

- a. The contractor is required to perform all contract services in accordance with the attached Statement of Work (SOW).
- b. The term of the contract is designated in Section B of the contract.
- c. The estimated cost and award fee pool for each contract period subject to award fee evaluation are set forth in the contract.
- d. The estimated cost and award fee pool may be subject to equitable adjustments resulting from contract modifications.
- e. The award fee earned and payable will be determined periodically by the Fee Determination Official, (FDO) in accordance with this plan. The FDO will be appointed and identified subsequent to contract award.
- f. Award fee determinations are not subject to the Disputes clause of the contract.
- g. The Bureau of Prisons (BOP) may, consistent with contract provisions, unilaterally change the elements of this plan, providing the contractor receives notice of the changes at least 30 calendar days prior to the beginning of the evaluation period to which changes apply.

The objective of the award fee provision of the contract is to afford the contractor an opportunity to earn increased fee commensurate with the achievement of the optimum performance in pursuit of contract objectives and goals. Optimum performance is not necessarily equated with the highest level of performance achievable in all incentive areas. Rather, it represents the most favorable degree of performance obtainable considering the achievement of contract objectives in light of the contractor's most effective utilization of available resources. The FBOP expects the contractor to exceed minimum performance standards and equates this level of performance with a fair performance

rating.

In addition to providing special management emphasis to the performance areas, objectives and criteria identified in this plan, the contractor is responsible for striving to attain the highest standards of excellence in executing its responsibilities under the contract. Performance shall be measured against standards consistent with the SOW, BOP directives, ACA standards and other applicable industry standards. The BOP will also consider the contractor's efforts to ensure the services provided are commensurate with the interest of the BOP and provide effective safeguards and security in support of the contract's mission. The contractor will receive favorable ratings for identifying problems to the BOP, and developing and implementing corrective actions. Conversely, the contractor will receive less favorable ratings for an inadequate self-assessment.

B. ORGANIZATIONAL STRUCTURE FOR AWARD FEE DETERMINATION

The following organizational structure is established for administering the award fee provisions of the contract.

1. Fee Determination Official (FDO)
 - a. The FDO will be identified subsequent to contract award.
 - b. Primary FDO responsibilities are:
 - (1) Determining the award fee earned and payable for each evaluation period as addressed in Part C.
 - (2) Approving changes to the elements covered in this plan as addressed in Part E, as appropriate.
 - (3) Appointing the Performance Evaluation Board Chairperson.
2. Performance Evaluation Board (PEB)
 - a. The Chairperson, voting members and advisory staff of the PEB will be identified subsequent to contract award.

The Chairperson may recommend the appointment of any number of non-voting members to assist the PEB in performing its functions.

B. (Continued)

b. Primary responsibilities of the PEB are:

- (1) Reviewing the periodic evaluation reports of the Performance Monitors regarding contract performance.
- (2) Conducting independent, ongoing evaluations, as necessary, of contractor performance.
- (3) Submitting a Performance Evaluation Board Report (PEBR) to the FDO covering the PEB's findings regarding performance and containing a recommendation of award fee earned for each evaluation period.
- (4) Considering proposed changes to this plan and recommending those it considers appropriate to the FDO for incorporation.

3. Performance Monitors (PMs)

- a. At least one PM will be assigned to each performance area to be evaluated. The assignment will be made by the PEB Chairman as addressed in Part D.
- b. Each PM will be responsible for complying with the general instructions for performance monitors and any specific instructions from the PEB Chairman as addressed in Part D.
- c. Primary responsibilities of the PMs are:
 - (1) Monitoring, evaluating and assessing contractor performance in assigned areas.
 - (2) Periodically preparing a Performance Monitor Report (PMR) for review by the PEB, or others, as appropriate.
 - (3) Recommending appropriate changes in this plan for consideration, as addressed in Part E.

C. EVALUATION REQUIREMENTS

The applicable evaluation requirements are attached as indicated below.

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| 1. Award Fee Evaluation Period | Exhibit C-1 |
| 2. Performance Areas and Evaluation Criteria | Exhibit C-2 |
| 3. Grading Table | Exhibit C-3 |

Any percentage weights utilized in the attached exhibits are quantifying devices. Their sole purpose is to provide guidance in arriving at a general indication of the amount of award fee earned. In no way do they impute an arithmetical precision to the amount of award fee earned.

C-1 AWARD FEE EVALUATION PERIODS

Exhibit C-1

No.	Evaluation Period
1	NTP date through 6 months
2	7 months through 12 months
3	13 months through 18 months
4	19 months through 24 months
5	25 months through 30 months
6	31 months through 36 months
7	37 months through 42 months
8	43 months through 48 months
9	49 months through 54 months
10	55 months through 60 months
11	61 months through 66 months
12	67 months through 72 months
13	73 months through 78 months
14	79 months through 84 months
15	85 months through 90 months
16	91 months through 96 months
17	97 months through 102 months
18	103 months through 108 months
19	109 months through 114 months
20	114 months through 120 months

C-2 PERFORMANCE AREAS AND EVALUATION CRITERIA

The following performance areas, objectives and criteria will be the basis for evaluating contractor performance during the evaluation period covered by this Plan. However, where the contractor's performance is not specifically identified with an objective or criteria, then adherence to generally accepted standards of practice, standard operating procedures consistent with best available practices and any other relevant information will also be considered.

The objectives are broad in nature and normally include the entire performance or functional area. The criteria identify significant areas of emphasis of the performance or functional area and are usually specific to the current evaluation period.

The performance areas to be evaluated are identified below. Criteria and specific objectives for the evaluation period will follow each of the performance sub-areas.

Exhibit C-1

Area No.	Area Identification
1	<u>Quality of Work</u> : Results of Quality Assurance Inspections and Observations of Government Personnel
2	<u>Contractor Responsiveness</u> : Timeliness, Effectiveness and Appropriateness of Response to Both Routine and Unusual Institution Events; Timely Response to BOP Concerns; Reaction to Changing Service Requirements
3	<u>Management of Quality Control Program</u> : Effectiveness of Quality Control Program; Self-Initiated Service Improvements

C-3 GRADING TABLE

The contractor shall be entitled to receive in any evaluation period an award fee commensurate with the performance rating within the ranges specified below.

Although the ranges will be used to quantify the amount of award fee earned during the evaluation period, the award fee determination may not result solely from the use of a mathematical formula.

Exhibit C-3

Adjective Grade	Performance Description	Range of Performance Points
Outstanding	Superlative level of performance; achievement of distinguished results and effectiveness. No deficiencies.	80% - 100%
Excellent	Of exceptional merit; exemplary performance in a timely, effective and professional manner. Very minor deficiencies. No effect on overall performance.	40% - 79%
Good	Very efficient performance; fully responsive to contract requirements; more than adequate results; reportable deficiencies but with little identifiable effect on overall performance.	1% - 39%
Fair	Effective performance; responsive to contract requirements; adequate results. Reportable deficiencies with identifiable, but not substantial, effects on overall performance.	0%
Marginal	Meets minimum acceptable standards; useful levels of performance but suggested remedial action; reportable deficiencies which adversely affect overall performance.	0%

Unsatisfactory	Below minimum acceptable standards; poor performance; inadequate results; requires prompt remedial action; significant deficiencies.	0%
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D. METHOD FOR DETERMINING AWARD FEE

A determination of the award fee earned for each evaluation period is scheduled to be made by the FDO within 60 calendar days after the submission of the contractor's self evaluation at the end of each period. The method to be followed in monitoring, evaluation, and assessing contractor performance during the period, as well as for determining the award fee earned is described below. Section D-1 of this plan summarizes the principal activities and schedules included.

1. The PMs, appointed by the FDO, shall evaluate the performance areas identified in Section C-2 of this plan based upon the performance objectives and criteria set forth therein. Each PM shall submit a Performance Monitor Report (PMR) to the PEB every two months and a summary report at the end of each six month evaluation period.
2. Each PM and the PEB Chairperson shall meet with the contractor on a quarterly basis to discuss the contractor's performance.
3. Five (5) calendar days after the end of each evaluation period, the contractor must provide a written self-evaluation of performance during the period. The self evaluation must provide both strengths and weaknesses of the contractor's performance during the evaluation period. Where deficiencies in performance are noted, the contractor shall describe the actions planned or taken to correct such deficiencies and avoid their reoccurrence. The contractor may include discussion of other accomplishments deemed worthy of consideration during the performance period. The contractor shall also identify areas of weakness that need to be addressed which were not addressed during the evaluation period or previous periods of evaluation. An original and ten copies of the self-evaluation will be provided to the PEB Chairperson for distribution to the PEB members and to each of the PMs. The thoroughness and candor of the report will be considered by the PMs, the PEB and the FDO as an indicator of the degree to which the contractor seeks out problems and solutions and as an indicator of the contractor's understanding of issues and concerns

identified by the BOP.

D. (Continued)

4. The PMs and the PEB will meet and assess all the performance information submitted. The PMs and the PEB will evaluate the contractor's self-evaluation and consider its realism in relation to the PM reports.
5. The PEB will meet and consider all appropriate performance information it has obtained and will summarize its preliminary findings and recommendations in a draft PEER.
6. The PEB will then meet with the contractor and discuss its preliminary findings and recommendations. As requested by the PEB Chairman, PMs and other personnel involved in performance evaluation will attend the meeting and participate in discussions. During the meeting the contractor will be permitted to present a briefing (not to exceed 20 minutes or ten pages, if in writing) with additional comments regarding its performance during the evaluation period.
7. After the meeting with the contractor, the PEB will consider the matters presented by the contractor and establish its findings and recommendations for the PEER. The report will include a recommended award fee based on the supporting documentation in the final PEER.
8. The PEB Chairperson will prepare the PEER for the period and submit it to the FDO for use in determining the award fee earned.
9. The FDO will consider the PEER and discuss it with the PEB Chairperson or other personnel, as appropriate. If requested by the contractor, and if the FDO considers it appropriate, the FDO will meet with the contractor for discussions. If requested by the FDO, the PEB and any other personnel involved in the performance evaluation may be required to attend the meeting with the contractor.
10. The FDO will determine the amount of award fee earned during the period. The FDO may rely upon the information provided by the PEB by the PMs, as well as other reports, including the contractor's self-evaluation, or supplement this information with personal knowledge (or any other factors and information deemed appropriate) in determining the award fee earned. The FDO's determination of the

amount of award fee earned and the basis for this determination will be stated in the Award Fee Determination Report (AFDR).

11. The FDO will sign the final AFDR and provide the original to the contractor for attachment to its voucher requesting payment of the award fee.

D-1 ACTIONS AND SCHEDULES FOR AWARD FEE DETERMINATION

The following is a summary of the principal actions involved in determining the award fee for each evaluation period.

No.	ACTION	Schedule(Calendar Days)
1.	PMS evaluate and submit PMRs to PEB Chairperson to assess Contractor performance.	Every 60 days after the start of each period.
2.	Each PM and the PEB Chairperson hold formal discussions with the contractor.	Quarterly (every 90 days)
3.	Contractor submits self-evaluation.	Not later than (NLT) 5 days after the end of each evaluation period. (5 days)
4.	PMS will review the contractor's self-evaluation and then submit an evaluation period summary PMR to the PEB.	Within 5 days after receiving the Contractor's self-evaluation. (10 days)
5.	The PEB will meet and assess all the performance information obtained.	Within 10 days after receiving the contractor's report. (15 days)
6.	The PEB will summarize its preliminary findings and recommendations for coverage in the draft PEBR	Within 5 days after PM and PEB discussions. (20 days)
7.	PEB and PEBR review and discussions with the contractor.	Within 5 days of draft PEBR completion. (25 days)
8.	PEB considers the matters presented by the contractor and establishes its findings and recommendations for the final PEBR. The PEB Chairperson submits PEBR to the FDO.	Within 5 days after discussions with the contractor. (30 days)

9.	The FDO holds discussions with necessary evaluation personnel and/or the contractor on the PEER.	Within 5 days of receiving the PEER. (35 days)
10.	The FDO determines the amount of award fee and drafts the Award Fee Determination Report (AFDR).	Within 5 days after PEER discussions. (40 days)
11.	FDO finalizes the AFDR and issues it to the contractor.	NLT 60 days after each evaluation period. (60 days)

E. CHANGES IN PLAN COVERAGE

1. Right to Make Unilateral. Changes

Consistent with the contract, all elements covered in this plan may be changed unilaterally by the BOP prior to the beginning of an evaluation period by timely notice of at least 30 calendar days to the contractor in writing. The contract will be formally modified to reflect the changes as soon as is practicable, but the changes will nevertheless be effective based upon the 30 days date of notification standard, even though the formal Contract modification may be at some later date.

2. Method for Changing Plan Coverage

The method to be followed for changing plan coverage is described below. Section E-1 summarizes the principal actions and schedules involved.

- a. Personnel involved with the award fee process are encouraged to recommend changes in plan coverage with a view toward changing management emphasis, motivating higher performance levels or improving the award fee determination process. Recommended changes should be sent to the PEB for consideration and drafting.
- b. Where possible, the PEB will coordinate identified changes with the contractor.
- c. Prior to the end of each evaluation period, the PEB will submit changes applicable to the next evaluation period for approval by the FDO with appropriate comments and justification, or inform the FDO that no changes are recommended for the next period.
- d. A minimum of 30 calendar days before the beginning of each evaluation period, the BOP will notify the

contractor in writing of any changes. If the

E. (Continued)

contractor is not provided with the notification, or if the notification is not provided within the 30 calendar days before the beginning of the next period, the existing plan coverage will continue in effect for the next evaluation period, unless the contractor agrees to accept any proposed changes.

E-1 ACTIONS AND SCHEDULES FOR CHANGING PLAN COVERAGE

The following is a summary of the principal actions involved in changing plan coverage.

No.	Action	Schedule(Calendar Days)
1.	PEB drafts proposed changes.	Ongoing
2.	PEB Coordinates proposed changes with contractor.	Ongoing
3.	PEB submits recommended changes to FDO.	NLT 45 days prior to end of each evaluation period.
4.	BOP notifies contractor of changes.	30 days prior to the end of each evaluation period.

The PEB will establish appropriate lists of subsidiary actions and schedules to meet the above schedules, with emphasis on concurrence to the extend feasible.